

**Testimony Presented
to the
Sustainable Funding for Natural Resources
Study Committee**

by
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Senator Dearden, Representative Bell, and members of the Committee -- thank you for the opportunity to testify before you today as part of this Needs Panel Discussion concerning sustainable funding for natural resources.

A primary purpose of the 2006 Sustainable Natural Resources Funding Committee was to make recommendations for establishing a permanent source of sustainable funding for Iowa's natural resources. As you are aware, the membership of that task force includes representatives of twelve natural resource and agricultural NGO's, two members each from the House and Senate, and representatives of the Iowa Department of Natural Resources and the Iowa Department of Agriculture and Land Stewardship.

The Sustainable Funding Advisory Committee completed its report to the Legislature earlier this year. The report recommended additional funding of \$150 million, above and beyond current appropriation levels, to begin the process of addressing Iowa's natural resource needs in seven different areas, ranging from parks and trails to soil conservation and water quality.

I have been asked to speak to the additional \$30 million of funding recommended for IDALS programs. As stated on the very last page of the funding vehicle report that you have before you, IDALS would use the first half of the additional \$30 million to meet unfunded demand that we see year after year in our existing Environment First programs.

SUSTAINABLE NATURAL RESOURCE ADVISORY COMMITTEE FUNDING VEHICLE SUMMARY

Summary

The Sustainable Funding Committee (SFC) Final Report completed in August 2006 sought an increase of \$30 million above current Environment First appropriation levels. Half of that increase would provide needed funding to meet existing demand for those programs.

- **Environment First.** Appropriations to the six IDALS Environment First programs total \$14.9 million, or approximately \$15 million. Annual demand continues to be in the range of \$25 to \$34 million. Therefore, half of the \$30 million or an additional \$15 million is needed to meet existing demand. SWCDs in most instances do not sell or promote these programs now, or seek additional applications, but rather more than exhaust available funds with the clientele that walks in the door. An increase in targeted approaches to environmental protection would most likely increase the customer base as well.

Summary

The second half of the additional \$30 million would be used to provide additional technical assistance to soil and water conservation districts; develop a stream bank and buffer stabilization project; initiate a state-funded CRP-type program to keep lands in hay and grass; and startup a tillage management incentives program to assure adequate crop residue levels in areas impacted by demand for cellulosic ethanol production. The SFC Final Report also specified that certain funds would be used to support environmental stewardship with regard to agricultural and livestock issues.

An additional \$15 million would allow the Department and Iowa's 100 soil and Water Conservation Districts to address emerging resource issues and needs in areas like the following:

- **Technical Assistance.** Provide additional funds to SWCDs for technical assistance to private landowners.
- **Stream bank stabilization and variable width buffers.** Use watershed monitoring to pinpoint sources of pollutants and work in smaller targeted sub watersheds. Demonstrate effects, problems, and solutions.
- **State-funded CRP-type program.** A State-funded CRP-type program to provide incentive to keep lands in grass and allow grazing and haying within the confines of an approved management plan.
- **Tillage management incentives.** Target areas likely to be impacted by demand for cellulosic ethanol production. Incentivize no-till practices and leaving adequate crop residue on the field.

Like existing programs, funding in these areas would also leverage federal and local dollars, along with the landowners investment, to put needed conservation measures on the ground.

These program areas are designed to help private landowners in both rural and urban areas address resource problems and conservation needs on the 94% of Iowa's land that is privately owned.

Our current programs offer a variety of choices and funding assistance to landowners ranging from cost-share to low interest loans.

We would use the additional funding being considered by this Study Committee to expand those choices and alternatives, and to accelerate the process of protecting our soil and water resources. The additional funding would also incentivize landowners to protect their own land and to consider long-term commitments to conservation programs.

We need to do more in targeting resources and programs to watersheds and areas within watershed projects where we will get the most effective results for our investment.

Iowa is seen as a polluter of the nation's waterways and the Gulf of Mexico. We must address these issues and give farmers and landowners opportunities to reduce runoff and sedimentation from their farms. We need to continue to work with individual landowners to improve their on-farm management to reduce soil loss and off-farm impacts to water quality.

Staffing at the county level in Iowa's 100 soil and water conservation districts is at a critical level. We must do more to assist SWCD's in the delivery of our programs.

We should continue to work with landowners to protect and maintain existing conservation measures, and to continue the benefits of other

investments made through utilization of the federal farm program, federal watershed and wetland programs, and other areas.

The emerging ethanol industry will put increased demand on row crop production, ramping up the need for more and better soil conservation. The move to cellulosic ethanol production needs to be complemented with measures to assure that adequate levels of organic material are left in the fields to stop erosion and maintain soil quality.

Thank you again for the opportunity to be here today. Investments in these programs are an investment in our future and the economic base of our great State.